

# Vitale Foodtown



## Retail Partner Programs

1995 Retail Merchandising

1995 Retail Co-Marketing

*RJ Reynolds*  
Tobacco Company

# 1995 Merchandising Program - Pack Outlets

<i>Program Comparison</i>	
<u>Old Program</u>	<u>RJR Volume - Pay for performance</u>
<b>Industry Volume based</b>	<b>RJR Volume - Pay for performance</b>
<b>Volume ranges</b>	<b>Volume ranges</b>
<ul style="list-style-type: none"> <li>- Broad</li> <li>- Capped near trade average</li> </ul>	<ul style="list-style-type: none"> <li>- Multiple</li> <li>- Competitive in high volume accounts</li> </ul>
<b>Base requirements</b>	<b>Base requirements</b>
<ul style="list-style-type: none"> <li>- 1 Full Price display</li> <li>- 1 Savings display</li> <li>- Enhanced sign</li> </ul>	<ul style="list-style-type: none"> <li>- 2 Full Price display</li> <li>- 1 Savings display</li> </ul>
<b>Minimal additional signage requirement</b>	<b>Share of signage equal to RJR SOM</b>
<b>Enhancement option - Payment flexibility</b>	<b>Enhancement option - Payment flexibility</b>
<b>Component (stand alone) option</b>	<b>Component (stand alone) option - Payment flexibility</b>
<b>Minimum Volume requirement</b>	<b>Minimum Volume requirement</b>
<ul style="list-style-type: none"> <li>- 76 Industry CPW</li> </ul>	<ul style="list-style-type: none"> <li>- 100 Industry CPW</li> <li>- 17 RJR CPW</li> </ul>

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## 1995 Merchandising Program Requirements Pack Outlets

- **RJR Full Price Display in Primary Position**
- **RJR Full Price Display is in a 2nd, 3rd, or 4th Full Price Position**
- **RJR Savings Brand Display in a Primary Savings Position**
- **Display RJR "Lowest" brands, if applicable**
- **Provide RJR accurate volume information. Authorize primary and other suppliers to release brand style volume information to RJR.**
- **Provide RJR share of available signage (excluding signage on fixtures / displays) equal to RJR share of market.**

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# 1995 Merchandising Program Requirements

## Pack Outlets *(continued)*

- Provide RJR share of space equal to RJR share of market on carton merchandisers, if applicable. Minimum acceptable space as determined by an RJR Representative.
- Ensure RJR brands are represented in all price tiers as required.
- Ensure adequate quantity of RJR brands are maintained to minimize out of stock, including brands designated for display.
- Provide RJR equal opportunity to place temporary promotional displays and signage, as requested.
- Accept new RJR brand styles as requested by RJR Representative.
- RJR reserves the right for final approval of display / advertising sizes and locations.

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# 1995 Retail Merchandising Program Potential Payments

BASE PLAN

RJR Cartons Weekly	S/S Stores	NSS Stores
17-26	\$ 90	\$ 60
27-35	\$ 120	\$ 81
36-42	\$ 150	\$ 100
43-48	\$ 170	\$ 114
49-57	\$ 185	\$ 126
58-67	\$ 200	\$ 135
68-78	\$ 215	\$ 145

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# 1995 Retail Merchandising Program Component Display Option

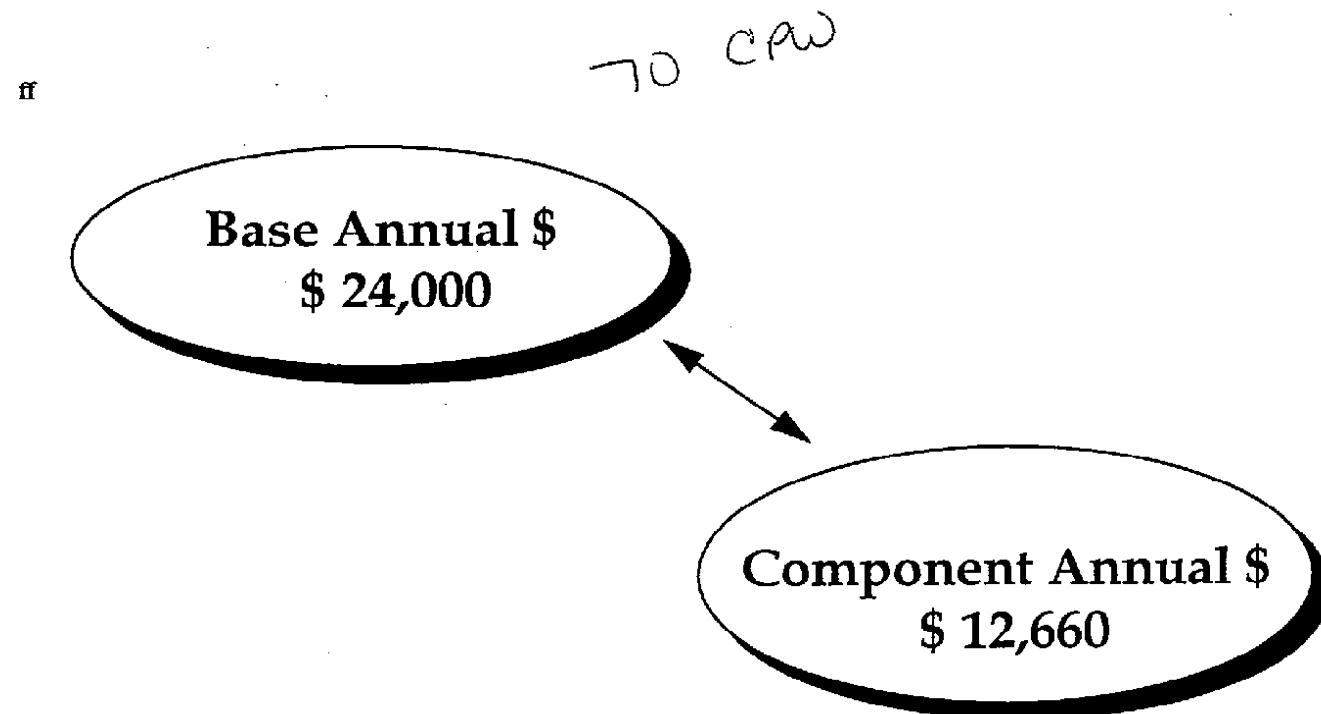
- Full Price Display (16 minimum facings)
- Savings Display (24 minimum facings)
- Enhanced Sign

<u>RJR Cartons Weekly</u>	<u>S/S Stores</u>	<u>NSS Stores</u>
17-42	\$ 95	\$ 90
43-67	\$ 115	\$ 110

Note: Component Program does not qualify for  
RJR Co-Marketing Program.

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## 1995 Retail Merchandising Program (Comparison of Base vs. Component Programs)



- Last Quarter payments= \$ 5,230

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# 1995 Cigarette Merchandising Program

(Comparison of Current vs. New Program)  
based on 10 stores with avg. volume of 70 RJR cpw

Current Annual

\$ 20,920

New Annual

base program  
\$ 24,000

component program

Annual \$

\$ 12,660

6 stores w/ NSS Carton

& ss packs, 4 stores component prgm

\$ 17,268 annually

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# 1995 Co-Marketing Promotion Accrual Program

## *Co-Marketing Program Changes*

<i>Program Comparison</i>	
<i>Old Program</i>	<i>RJR Volume Based</i>
<b>Industry Volume Based</b>	<b>RJR Volume Based</b>
<b>Large volume categories</b>	<b>Small volume categories</b>
<b>EDLP Accounts Only</b>	<b>EDLP Accounts - Tot Category Partner Non-EDLP Accounts - Merch. Partner</b>
<b>Primarily Defensive Activity (Discounting)</b>	<b>Offensive &amp; Defensive Activity Premium Menu - Total Category Partner</b>
<b>No carryover of unused funds</b>	<b>Funds carryover with RJR approval (not to subsequent years)</b>
<b>Same Rate applied to all participants</b>	<b>Rates differ on partnership level - Total Category Partner - Maximum rate - Merchandising Partner - Lower rate</b>
<b>No Mandated Match</b>	<b>Match required for Merchandising Partner</b>
<b>No Promotional Platform Requirement</b>	<b>Promotional Platform required for both Carton &amp; Cigarette Outlets</b>

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# 1995 Co-Marketing Accrual Program Potential Payments

<u>RJR Weekly Volume</u>	<u>RJR Only</u>	<u>RJR/Dealer Match</u>
70-89	\$36	\$72
90-111	\$44	\$88
112-140	\$56	\$112
141-177	\$70	\$140

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## 1995 Retail Partners Program Co-Marketing Annual \$

Based on RJR weekly average volume: 70 cartons

Co-Marketing  
\$ 7,680

Co-Marketing  
with retailer match  
\$ 11,520

\* Total Annual \$  
\$ 35,520

\* Total Annual \$ includes Base program + RJR Co-mkt match.

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## Business Recommendations

- Place Additional self-service Full price and savings displays to have a total of three(3) pack displays per store to qualify for our Base program monies.
- Take full advantage of all Co-Marketing accrual monies and quarterly promotions .

We look forward to working with you as a partner to achieve success in meeting the needs of our consumers and cigarette category objectives in 1995.

*Thank You !*

*RJReynolds*  
Tobacco Company

# 1995 Merchandising Program - Carton Outlets

<i><b>Program Comparison</b></i>	
<b>Old Program</b>	<b>RJR Volume - Pay for performance</b>
<b>Payment based on size of merchandiser</b>	
<ul style="list-style-type: none"> <li>- Rows</li> <li>- Pack capacity</li> </ul>	
<b>Volume ranges</b>	<b>Volume ranges</b>
<ul style="list-style-type: none"> <li>- Broad</li> <li>- Capped near trade average</li> </ul>	<ul style="list-style-type: none"> <li>- Multiple</li> <li>- Competitive in high volume accounts</li> </ul>
<b>Base requirements</b>	<b>Base requirements</b>
<ul style="list-style-type: none"> <li>- Pack Merchandiser</li> <li>- Carton Merchandiser</li> </ul>	<ul style="list-style-type: none"> <li>- Pack Merchandiser</li> <li>- Position of Cartons</li> <li>- Share of space equal to RJR SOM</li> </ul>
<b>Enhancement option - Payment flexibility</b>	<b>Enhancement option - Payment flexibility</b>
<b>Component (stand alone) option</b>	<b>Component (stand alone) option - Payment flexibility</b>
<b>Minimum Volume requirement</b>	<b>Minimum Volume requirement</b>
<ul style="list-style-type: none"> <li>- 225 Industry CPW</li> </ul>	<ul style="list-style-type: none"> <li>- 225 Industry CPW</li> <li>- 70 RJR CPW</li> </ul>

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## 1995 Merchandising Program Requirements Carton Outlets

- **RJR Package Merchandiser(s) in Primary Position.**
- **RJR brands on top shelves contiguous, meeting at least minimum space requirements.**
- **Advertising located above RJR brand positions on merchandising fixtures.**

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Tobacco Company

# 1995 Cigarette Merchandising Program- Potential Payments

<u>RJR Weekly Volume</u>	<u>S/S Monthly</u>	<u>NSS Monthly</u>
70-89	\$ 163	\$ 139
90-111	\$ 205	\$ 174
112-140	\$ 246	\$ 207
141-177	\$ 310	\$ 262

Note: Additional payment of \$ 100 per month per store  
for placement of 2nd RJR Package/Promo Merchandiser

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